UNIDO

Distr.
GENERAL

[redacted]
PBC.8/6
6 May 1992

United Nations Industrial Development Organization

ORIGINAL: ENGLISH

Industrial Development Board

Tenth session
Vienna, 2-6 November 1992

Programme and Budget Committee

Eighth session
Vienna, 29 June - 3 July 1992
Item 5 of the provisional agenda

FINANCIAL SITUATION OF UNIDO

Losses related to small catering items

Note by the Secretariat

Summary

Provides information on losses related to catering items for the years 1989, 1990 and 1991. In accordance with financial rule 109.15(a), requests approval for the write-off of those losses.

1. Since the introduction of an inventory control system for small items of the VIC Catering Service, it has been possible to accurately assess losses of such property. During the period 1990 to 1992, the Property Survey Board was presented with six cases covering losses of small catering items, resulting in the following total losses for those years:

Year	Total losses	Annual turnover	Losses at % of annual turnover
	(Austrian schillings)		
1989	791,884	55,411,600	1.43
1990	604,308 (of which 156,368 breakage)	55,553,565	1.09
1991	568,278 (of which 290,672 breakage)	60,777,700	0.94

2. The above figures may be compared with the normally acceptable margin of loss in a private restaurant business of 3 to 5 per cent of annual turnover. That notwithstanding, efforts to reduce losses have already yielded an improvement, as the above figures illustrate.

ACTION REQUIRED OF THE COMMITTEE

3. In order to comply with financial rule 109.15(a), which requires the prior approval of the Board upon the recommendation of the Programme and Budget Committee for the writing-off of a loss exceeding the amount of $15,000, the Programme and Budget Committee may wish to consider recommending to the Board the adoption of the following draft decision:

"The Industrial Development Board, upon recommendation of the Programme and Budget Committee:

"(a) Takes note of the report of the Director-General concerning losses of catering equipment (PBC.8/6-IDB.10/9);

"(b) Approves, in accordance with financial rule 109.15(a), the write-off of losses related to small items of the VIC Catering Service in the amounts described in paragraph 1 of document PBC.8/6-IDB.10/9."

V.92 53742 3005E

Distr.: 8 May 1992